

VZCZCXRO0247  
RR RUEHCHI RUEHDT RUEHHM RUEHNH  
DE RUEHVN #0180/01 0801022  
ZNR UUUUU ZZH  
R 201022Z MAR 08  
FM AMEMBASSY VIENTIANE  
TO RUEHC/SECSTATE WASHDC 1921  
INFO RUEHBK/AMEMBASSY BANGKOK 7649  
RUEHPNH/NVC PORTSMOUTH 0456  
RUCNASE/ASEAN MEMBER COLLECTIVE

UNCLAS SECTION 01 OF 02 VIENTIANE 000180

SIPDIS

STATE FOR CA/EX/FPP (Overstrom)  
STATE FOR EAP/MLS (Bestic)

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E.O. 12958: N/A  
TAGS: [KFRD](#) [CVIS](#) [CPAS](#) [CMGT](#) [ASEC](#) [LA](#)  
SUBJECT: FRAUD SUMMARY-(VIENTIANE): Q1 FY 2008

1A. (U) The Lao People's Democratic Republic is a least-developed country with a single-party communist government. With an estimated \$572 per capita income, Laos is one of the poorest countries in East Asia. Nearly 71% of the population lives on less than \$2 a day, with 23% living on less than \$1 per day. Illiteracy is about 47%. Agriculture is the major sector of the economy, contributing 46% of the GDP and employing approximately 79% of the population, mostly in subsistence farming.

The main contributors to fraud in Laos are poverty and the large proportion of the population with family ties in the U.S., as citizens attempt to illegally emigrate permanently, often to join relatives there, or to temporarily work illegally in the United States. Most of the applicant pool at Embassy Vientiane, as well as most of the fraud, comes from two of Laos's 49 ethnic groups: the ethnic Lao and the Hmong. The ethnic Lao are the largest ethnic group in Laos. The Hmong constitute about ten percent of the population of Laos but make up an estimated 25 to 30 percent of our applicant pool. There are almost a third as many ethnic Hmong in the U.S. as there are in Laos. The most recent U.S. census estimated that 170,000 ethnic Lao and 170,000 ethnic Hmong currently live in the United States.

Passports and national ID cards are the only nationally issued forms of identification. The information on a Lao passport or ID card cannot be accepted at face value. False or duplicate identities are common among visa applicants. Obtaining a passport issued with a false identity is relatively easy, in many cases not even requiring a bribe. Laos does not have a well-established tradition of civil documents, and, as such, there is little standardization or security for documents such as birth or marriage certificates. Additionally, many of these documents are issued at the village level by the village chief, and, as such, will say generally whatever the requester wants them to say. Many documents submitted to the Consular Section in support of an application for any service are handwritten. Further, forged or false business licenses, bank books, identity cards, and household registration books are common. Detection of altered or fraudulent documents is usually easy as production is unsophisticated.

12. (U) B. NIV Fraud

Eighty-nine percent of NIV applicants at post are B2 applicants, the majority of whom are applying to visit relatives. Identity fraud is the largest problem facing the Consular section in Laos. Some applicants who are refused visas return at a later time with a new identity which is reflected in a new national ID card, new household registration, and new passport. Vientiane has one of the highest adjusted NIV refusal rates in the world. A recent B1/B2 validation study indicated a high non-return rate, thus we consider this post to be a medium fraud post. Religious Worker Visas. The board of directors of a Lao Buddhist temple in Arkansas reported in December 2007 that the previous abbot and president were fired for financial activities not approved by

the board, including inviting unneeded monks from Laos. FPU had noticed a spike in this temple's applications since May 2007 and had been monitoring new cases, until this confirmation arrived. The abbot was not supposed to be in Arkansas in the first place; his visa authorized residence at a temple in Las Vegas. This is indicative of a suspected larger problem of "monk-swapping" by temples and "temple-hopping" by R-1 recipients. Four monks assigned to Wat Buddha Samakittham were elsewhere. Two of them were elsewhere with the blessing of the original temple, who noted that they no longer wish to be held financially responsible for these two. The FPU will conduct a validity study to better gauge the scope of the practice of monks leaving or changing temples and their return rate. The FPU has been tracking past and current R-1 requests for the approximately 100 Lao temples in the U.S. We have enacted other new screening measures for R-1 applications, such as using pre-interview check-lists, requesting more complete supportive documentation, and occasional quizzing of monks in Pali and Sanskrit, the sacred languages used by Buddhist monks.

B1/B2 and P1 visas. One well-known Lao singer diverted from her avowed non-profit performances to engage in a full scale concert tour of the U.S. She has been entered P6C into CLASS. During the Hmong New Year in December, we experience an annual rush of poorly qualified singers, dancers and artists wishing to perform at festivals in the U.S. This has prompted closer examination of performers and their venues. P-1 performers are likewise being held to a stricter interpretation of INA 101(a)(15)(p)(i)(b)(I) that stipulates that an entertainer "perform with or is an integral and essential part of the performance of an entertainment group that has... been recognized internationally as being outstanding in the discipline for a sustained and substantial period of time." Most of these P-1 applicants for the last few years were sponsored by a single firm based in Virginia, specializing in tours of temple venues. They received a standard \$200/week salary plus tips, with a

VIENTIANE 00000180 002 OF 002

good return rate from a mini-validation check-up. On closer examination, we found that their evidence for international recognition and professional history was lacking. When we checked with temples appearing on a list of proposed concert venues, we found almost none had been contacted by the concert organizer yet.

¶3. (U) C. IV Fraud: For Lao IV and K1 visa applicants, there is a certain amount of relationship fraud, consistent with a medium fraud level. This generally includes sham relationships for immigration benefit through a K-1 visa application. Post is developing a list of fraud indicators commonly seen in sham fiance relationships based on Lao and Hmong cultural norms. The limited education of most Lao applicants and the culturally accepted practice of arranged marriages means that some bona fide applicants and their fianc(e)s in the United States who have every intention of marrying and following immigration law may not have the kinds of evidence of relationship that we would like to see (such as specific knowledge about each other's lives, interests, etc.).

¶4. (SBU) D. DV Fraud: Medium Fraud. As mentioned in the fourth quarterly report for 2007, many "winners" of the DV lottery could not substantiate education or vocational qualifications. Suspicious spousal relationships are common.

¶5. (U) E. ACS and Passport Fraud: Low Fraud. There is a growing number of American citizens in Laos, as tourism to Laos is growing and as Lao-Americans return for tourism, business, or to retire. ACS reviews PIERS for any application to replace a lost or stolen passport, as well as for other ACS services where questions arise. Because of the still small numbers of American citizens resident in Laos, CRBA issuances are still relatively low (31 in 2007). Post uncovered no fraud in the CRBA applications. However, post has recently suggested DNA evidence to prove paternity in four CRBA cases. Those cases have not yet been resolved.

¶6. (SBU) F. Adoption Fraud: Medium with high potential. Adoption of a Lao child by a foreign citizen is prohibited in Laos. However, because it was prohibited by Prime Ministerial decree, the Prime Minister's office can waive the restriction. The PM's office usually does so if the adopting parents are close relatives of the children.

As such, post sees very few adoption cases (7 in 2007). Post occasionally sees adoption cases where American citizen relatives try to adopt children that are not true orphans. In these cases, the surviving biological parent (or parents) generally state that they gave up custody of the children to their relatives "to give them a better life." In 2007, an American church-based NGO has begun the process for opening an office in Laos that would eventually facilitate the adoption of Lao orphans by U.S. citizens.

¶7. (U) G. Asylum and other DHS Benefit Fraud: Nothing new to report. There is little or no asylum or DHS benefit fraud from the limited number of Visa 92/93 cases that post processes. In cases of suspected relationship fraud, or where EOR is lacking, post has suggested DNA tests to prove the relationship. One malafide applicant was discovered through DNA in 2007.

¶8. (U) H. Cooperation with the Authorities: The Consular Chief meets regularly with working level counterparts at the Consular Department of the Ministry of Foreign Affairs to discuss Lao passport fraud. Each week, three to five applicants present duplicate passports issued with new names, surnames and dates of birth. This is done in an attempt to hide prior refusals. Consular officers confiscate these passports, which are detected during the visa interview process by the IDENT system. The passports are returned to MFA with information about the applicants and their claimed identities.

MFA officials have stated that the false identity problem is a local problem, as vital documents are issued at the village level, household registrations are issued at the district level, identity cards are issued at the provincial level, and passports are issued based on those documents.

While the MFA has stated that holding two identities is a crime under Lao law, they have not clarified what penalties these crimes might warrant, and what procedure one must follow to legally change one's name (a common occurrence in Laos, generally to change one's luck). The MFA has requested that we send any fraudulent identity passports to them for their action, but there seems to be little follow-up by authorities to punish offenders.

Most requests to meet with immigration police or district and provincial officials must go through the MFA. Most government officials will not meet with us unless there are diplomatic notes between the Embassy and MFA regarding such a meeting. MFA response time to meeting requests is slow and sometimes non-existent.

¶9. (U) I. Areas of Particular Concern: Post holds consular lunches with other Embassies' consular representatives on a quarterly basis to share issues of concern and fraud trends. Australia, France, Germany, Japan and Singapore Consuls usually attend.

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